

Statement of Carl Homan
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Hearing on the Formulation of the 2012 Farm Bill: Conservation Programs
Subcommittee on Conservation, Energy & Forestry,
U.S. House Committee on Agriculture
Thursday, April 26, 2012

Good morning Chairman Thompson, Ranking Member Holden, and members of the Subcommittee on Conservation, Energy and Forestry. Thank you for the opportunity to testify about the importance of the Farm Bill's conservation programs from a farmer's perspective.

My wife Diane, my son Justin, and I operate a 75-cow dairy farm in Centre County near Centre Hall, Pennsylvania. We also have 275 acres and rent additional land on which we grow crops. With our grandchildren now on the property, the farm has provided a home for seven generations of our family. In 2007, the farm was designated a Pennsylvania Century Farm.

Protecting and sustaining the farm for our family, the community, and the nation is an important value to my family. In addition, I helped form Centre County's first Agriculture Security Area in the 1990's to protect farmland from a highway bypass. And I have served for six years on the Centre County Agricultural Land Preservation Board.

In 2008, I was honored to be named that year's Outstanding Farmer Conservationist by the Centre County Pennsylvania Conservation District, and I remain a firm believer in the value of conservation to our farm. The resources and technical assistance offered to farmers by USDA's conservation programs protect the natural resources of our local communities. Many conservation practices can also improve the operations' bottom line.

In addition, our farm is in a watershed that ultimately drains into the Chesapeake Bay. We know that how we and our neighbors manage our farms affects water quality in Centre County and all the counties downstream clear down to Virginia. The Farm Bill's conservation programs serve a critically important role in controlling the loading of nutrients and sediment into Pennsylvania's streams, and the Chesapeake Bay itself.

We have used a no-till system for the past ten years to keep soil in place, reducing sediment and nutrient run off from our fields. We use a complex resource-conserving rotation of corn, oats, wheat, alfalfa, clover/timothy hay, soybeans, and rye cover crops that builds healthy soils. We incorporated cover crops in the rotation five years ago, using mostly rye and occasionally wheat. But we also saw that we needed to improve the conservation performance of our farm and turned to the Farm Bill conservation programs for cost-share and technical assistance.

CONSERVATION STEWARDSHIP PROGRAM (CSP)

The CSP is a whole farm and comprehensive working lands conservation program administered by USDA's Natural Resource Conservation Service (NRCS). CSP targets priority resource issues in specific states and watersheds, paying farmers to adopt new conservation enhancements and manage ongoing conservation activities to help solve priority resource concerns. CSP payments are directly linked to environmental benefits derived from particular practices and conservation systems.

The program helps farmers use their management skills to maintain and enhance the land and the food, fiber, and fuel that it produces. In the first three enrollment years (2009, 2010, and 2011), CSP enrolled 30,197 farmers and ranchers operating nearly 38 million acres of farm and ranch land that is now under five-year, renewable CSP conservation contracts. In each of those years, demand for the program exceeded acreage available by about two to one, resulting in very competitive enrollments.

The 2012 sign-up for CSP is offering 37 conservation practices and 68 conservation enhancements as well as supplemental payments for resource-conserving crop rotations. Conservation performance is tied to how effectively the activities and enhancements address the priority resource concerns for the state or region within a state, and payment rates are calibrated directly to expected environmental benefits.

The enhancements are unique to CSP and help drive advanced conservation. For instance, for cropland, some of the top ranking enhancements include continuous cover cropping, using cover crops as nitrogen sources, resource-conserving crop rotation, continuous no-till, extension in the size and scope of riparian buffers and field borders,

transition to organic cropping systems, and advanced high level integrated pest management. Top livestock enhancements include intensive managed rotational grazing, rotation of feeding and supplementation areas, and managing access to water bodies and streams.

Our farm is enrolled in the CSP through 2016. The cost share provided by CSP has allowed us to incorporate conservation enhancements to the farm. Three years ago, we started a pasture project in which increased grass cover and legumes are used to increase nitrogen value and feed value to our pastures, while also keeping the fields in grass longer than a standard crop rotation. This improves the quality of our soil, while also reducing nutrient and sediment runoff.

As you write the next Farm Bill, I urge members of this committee to maintain a strong funding base for the Conservation Stewardship Program. That is my main recommendation.

Beyond enough funds, there are other changes that could be made to increase the program's effectiveness and make it work better for farmers and ranchers. These improvements should be made to CSP in the next Farm Bill:

- **Simplify the program by ranking proposals solely according to the environmental benefits score secured by the total conservation system, including the new enhancements to be adopted and the existing conservation baseline.**

Every aspect of the CSP design, including payment formulations and ranking, should keep the focus on conservation outcomes, adaptive management, and continual improvement, not on the timing of initial adoption.

- **Allow producers to renew their CSP contracts so long as they have satisfied all previous contract obligations and increased their conservation score since the previous renewal.** Currently, CSP contracts can only be renewed once. This creates a barrier to fulfilling the purpose of the program, to advance ongoing and adaptive land stewardship to maintain and improve environmental performance. We have major resource challenges and we need policy that sends the right long term signals to farmers.

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)

EQIP has played a key role in helping to protect and enhance natural resources on the farm. We used EQIP funding to establish sod waterways that prevent spring rains and snow melt from carrying sediment to waterways. EQIP is an essential piece of USDA's conservation toolbox, providing one-time cost-share payments for structural practices as well as initial cost-share support to farmers who want to begin to increase their level of stewardship through management changes. But EQIP could be improved to make it more useful to farmers.

First, EQIP, and in fact all the conservation programs, needs to focus more on reducing nutrient losses. All over the world there are streams, lakes and coastal areas that are suffering from low oxygen because of excess nutrients. In the Chesapeake Bay watershed, we are under a lot of pressure to put in more practices to reduce our nutrient losses quickly. EQIP and other Farm Bill conservation programs need to focus on that. The Chesapeake Bay Watershed Program that you created in the last Farm Bill has helped Pennsylvania farmers a lot, and you ought to continue that program.

Second, in order to ensure the program is achieving results and the biggest bang for the buck, you should bring back progressive planning requirements. A progressive planning requirement used to be applied to EQIP but the program currently has no statutory planning standard. In Pennsylvania, we have a planning requirement for livestock operations that works well. Bringing back the progressive planning requirement for all of EQIP will help ensure that practices funded by the program are aimed at really solving resource problems. Under progressive planning, all funded projects would address priority resource concerns and promote progress toward the non-degradation or sustainable use criteria for those concerns. With progressive planning, farmers can receive technical assistance in identifying conservation issues on their farm and measuring their progress in dealing with the issues. This can help ensure the best use of the limited conservation dollars in these difficult fiscal times.

Third, the Farm Bill should eliminate the unfair \$20,000 payment limitation for organic farmers through the EQIP Organic Initiative. The same EQIP payment limit

should apply regardless of type of farm. Our farm does not use of the EQIP organic provisions from the 2008 Farm Bill, but we have seen the role that organic farms can provide to increase the value and diversity of farming, especially for beginning farmers. In Pennsylvania, the Department of Agriculture has initiated a "Path to Organic Transition" program to provide technical assistance to farmers in transition to organic agriculture, including assistance with developing local markets. The Path to Organic Program has two main purposes: first, to provide an incentive for farmers to make the transition to certified organic production practices; and second, to evaluate organic production practices as tools in improving soil health, protecting water quality and sequestering atmospheric carbon on a pilot basis outside of the traditional research environment. EQIP funding provided to organic farmers, on an equal level with other farmers, can help them implement sound conservation practices that are consistent organic production systems.

CONSERVATION RESERVE PROGRAM

Our farm also has enrolled acreage in the **Conservation Reserve Enhancement Program (CREP) component of the Conservation Reserve Program**. CREP is one of the most cost-efficient and effective programs in Pennsylvania for reducing pollution in the Chesapeake Bay watershed. On my farm, we enrolled 6.6 acres of wet pasture acreage along a stream in CREP and created a forest buffer. CREP provide a rental payment to help offset the loss of pasture acreage. We then used funding from the Penns Valley Conservation Association and the National Fish and Wildlife Foundation to improve management of the pasture with fences, a cattle walkway and a watering system. These measures not only improved water quality, they also improved the health of dairy herds and increase our ability to manage the movement of the cows with rotational management and other practices.

In addition to CREP, Pennsylvania can benefit from the continuous Conservation Reserve Program (CCRP) that provides for the establishment of contour grass strips, wetland buffers, filterstrips, and other practices that intersperse smaller acreages taken out of production with productive land. Pennsylvania has also designated acreage identified in our Pennsylvania State Wildlife Action Plan for enrollments in the CRP's State Action for Wildlife Enhancement (SAFE) component. The SAFE project targets 5,200 acres

of seasonal pools and early successional grass for enrollment. This habitat supports sensitive wildlife identified in the Pennsylvania State Wildlife Action Plan.

The next Farm Bill should direct USDA to retain sufficient acreage for the continuous sign-up in CCRP, CREP, and SAFE. At least 25 percent of total CRP acreage should be available for CCRP, CREP, and SAFE enrollment. The CRP should be managed to by the Farm Service Agency to ensure that no fewer than 500,000 acres are available each year for CCRP and CREP enrollment.

COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE

In July 2011, the NRCS approved a Conservation Cooperative Partnership Initiative for the Chesapeake Bay Watershed (CCPI-CBW). This initiative, sponsored by the Chesapeake Bay Foundation, includes a Healthy Dairies, Healthy Streams (Pennsylvania) component to implement agricultural best management practices on dairy farms; restore about 12 miles of riparian buffers; and treat animal concentration areas and barnyards to reduce sediment and the loss of nutrients into streams.

The CCPI-CBW emphasizes a "systems approach," allowing landowners to carry out multiple conservation practices and management techniques that work together to address potential nitrogen and phosphorus losses in agricultural runoff. NRCS leverages financial and technical assistance with partners' resources to install soil erosion-control practices, manage grazing lands, improve forestlands, establish cover crops, and reduce on-farm energy usage. On our farm, we used funding from the CCPI-CBWI to provide a concrete base and a walkway with a geo-surface in the barnyard. This improved surface makes it easier to keep manure and water separates. It also keeps our cows cleaner and has improved herd health.

I understand the Committee may be working on a successor to the CCBI called Regional Conservation Partnerships. In developing the revised program, I urge you to explicitly include reducing nutrient losses as one of the priorities, to provide as much flexibility as possible so that local partnerships can pursue innovations in conservation practices and program delivery, and provide a mechanism for non-governmental

organizations to receive USDA assistance for delivering technical assistance to producers participating in the partnerships.

In conclusion, I appreciate this opportunity to be here today to talk about the importance of conservation programs to my farm and to share some ideas with you. I will be happy to try to answer any questions you may have.

Committee on Agriculture
U.S. House of Representatives
Information Required From Nongovernmental Witnesses

House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Carl V. Homan
2. Organization you represent: Carl V. Homan Family Farm
3. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee: 5th generation farmer. I have managed the care & health of a dairy herd as well as the production of crops with conservation practices in place protecting the land and water supply.
4. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee: I served on the County Conservation District Board, Township Board of Supervisors, the County Planning Commission Board. I presently serve on the Ag Land Preservation Board & work with NRCS staff on projects.
5. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold: _____

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2008.

Name: Carl V. Homan

Organization you represent (if any): Homan Family Farm

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2008, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: NONE Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2008, as well as the source and the amount of each grant or contract:

Source: NONE Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: ✓

Signature: Carl V. Homan

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.